
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.15.2009

New York Times: "U.S. Planning to Reveal Data on Health of Top Banks ... The Obama administration is drawing up plans to disclose the conditions of the 19 biggest banks in the country, according to senior administration officials, as it tries to restore confidence in the financial system without unnerving investors."

New York Times: "U.S. Program Lends a Hand to Banks, Quietly ... Eager to escape the long arm of government, Goldman Sachs is preparing to return \$10 billion in taxpayer funds as fast as the ink can dry on the check. But the bank, and a number of others, is quietly holding on to other forms of public support that come with virtually no strings attached."

New York Times: "Hedge Fund Executive Guilty of Securities Fraud ... A hedge fund executive has pleaded guilty to securities fraud and is cooperating with New York State Attorney General Andrew M. Cuomo's investigation of corruption at the state pension fund, according to court records unsealed in Manhattan on Tuesday."

Wall Street Journal: "Bernanke's PR Push Rewrites Fed Script ... As the Fed comes under attack, Bernanke is taking his campaign for openness in unanticipated directions. Bank officials are considering holding regular press conferences."

Wall Street Journal: "Banks Ramp Up Foreclosures ... Some of the nation's largest mortgage companies are stepping up foreclosures on delinquent homeowners. That will likely lead to more Americans losing their homes just as the Obama administration's housing-rescue plan gets into gear."

Wall Street Journal: "Wall Street Still Finds Ways to Hire Foreigners ... Some big U.S. banks that have received billions of dollars from the government are shipping some of their newest recruits overseas in order to comply with a federal law that restricts their ability to hire foreign workers for U.S. jobs."

Wall Street Journal, Editorial: "The Goldman Two-Step ... So Goldman Sachs now wants to repay its \$10 billion in taxpayer capital, with its CFO even saying the Wall Street giant has a "duty" to do so now that it is once again turning a nice profit. Congratulations to Goldman on its desire to escape federal bondage. The question taxpayers might still ask, however, is whether Goldie is also willing to forswear a bailout when it next gets into trouble. Is it still "too big to fail"?"

Wall Street Journal, Editorial: "A Triple-A Idea ... 'The disease has spread,'" says University of San Diego law professor Frank Partnoy, in remarks to be delivered today at the Securities and Exchange Commission. He's talking about the sickness in financial markets caused by the federal government's decision to select certain companies to judge credit risk. Instead of a free market judging the likelihood that a particular bond will be repaid, regulation by the SEC and Federal Reserve forces market participants to use the government's hand-picked experts at Standard and Poor's, Moody's and Fitch."

Reuters: "US prepping bank stress test guide ... U.S. regulators are preparing a public guide to bank "stress tests" to explain their methodology and how to interpret industry wide results, sources familiar with the planning told Reuters on Tuesday."

Reuters: "Fed's Rosengren says systemic regulator needed ... The current financial crisis highlights the need for a systemic risk regulator, a top Federal Reserve official said on Tuesday, but a regulator would face "profound challenges" and would need sufficient authority to change financial institutions' behaviour."

Bloomberg: "Fannie, Freddie Face Pressure to Revamp as U.S. Aid Increases ... Fannie Mae and Freddie Mac are under pressure from lawmakers to revamp their operations as the mortgage-finance companies tap more government money to survive."

Washington Post: "Ahead of Stress Test Results, Banks Balk at More Federal Aid ... The nation's largest banks are pressing the government to curtail the next round of federal aid to the financial system, a high-stakes tactic senior officials described as grandstanding that could undermine a necessary rescue."

Washington Post, Op-Ed: "Reinventing Regulation ... During President Obama's speech yesterday on the economy at Georgetown University, it was hard to miss that the biggest applause lines were those that criticized Wall Street for reckless risk-taking and squandering so much wealth and talent. To make sure it never happens again, the president challenged Congress to come up with an entirely new regulatory regime by the end of the year."

Washington Post: "Private-Equity Firms Under Scrutiny ... Federal and state authorities are investigating whether Carlyle Group and other private-equity firms and hedge funds knowingly participated in a pay-to-play scheme to get investments from New York state's pension fund, according to three people familiar with the case."

Washington Post: "Goldman Revamp Puts Dec. Losses Off Books ... December was a disastrous month for Goldman Sachs, producing a loss of \$780 million, but you wouldn't know it from looking at the company's bottom line for the last quarter of 2008 -- or the first quarter of 2009."

Washington Post: "Bernanke Presses Financial Literacy For Minorities ... American minorities need to "strengthen their financial literacy," Federal Reserve Chairman Ben S. Bernanke told students and faculty at Atlanta's historically black Morehouse College yesterday."

The Economist: "Sacred territory ... THE Federal Reserve has ventured ever further into the political realm, propping up failing companies, lending to industries other than banks and financing the federal budget through purchases of Treasury

bonds. Now the politicians are threatening to respond in kind."

Washington Times, Editorial: "Banks are getting trapped in TARP ... Government bailout funds are the roach motel for financial institutions - they check in, but they can't check out."

National Review, Editorial: "Obama's Dodge ... In a speech at Georgetown University yesterday, Pres. Barack Obama tried to explain how his economic policies "fit together in a single, overarching strategy." The only constant we could discern, however, was the president's desire to use the financial crisis to justify enormous expansions of government power."

U.S. News & World Report: "How Will We Regulate Risk? ... Remember the word: "Macroprudential." It's not nebulous name of the latest bank to go bust. Macroprudential describes one of the suggested paths for getting us out the mess the banks caused. Broadly, it's a system-wide, holistic approach to monitoring the financial sector, and a plan that would undoubtedly mean aggressive new international regulation of the entire global finance system."

Roll Call: "Towns Demands Explanation for AIG's Hiring of PR Firms ... House Oversight and Government Reform Chairman Edolphus Towns (D-N.Y.) is demanding that American International Group explain whether it may have used federal bailout dollars to pay for a public relations campaign to combat its critics."